Agenda Date: 8/16/06 Agenda Item: VIIIA



STATE OF NEW JERSEY Board of Public Utilities Two Gateway Center Newark, NJ 07102 www.bpu.state.nj.us

TELECOMMUNICATIONS

IN THE MATTER OF THE PETITION OF ENHANCED COMMUNICATIONS NETWORK, INC., D/B/A ASIAN AMERICAN ASSOCIATION TELECOM SERVICES, FOR APPROVAL TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES WITHIN THE STATE OF NEW JERSEY

ORDER

DOCKET NO. TE05110953

(SERVICE LIST ATTACHED)

BY THE BOARD:

Pursuant to N.J.S.A. 48:2-1 et seq. and Section 253 of the federal Telecommunications Act of 1996, 47 U.S.C. §151 et seq., and by letter dated November 7, 2005, Enhanced Communications Network, Inc., d/b/a Asian American Association Telecom Services ("Petitioner" or "ECN"), filed a Petition with the New Jersey Board of Public Utilities ("Board") requesting authority to provide all forms of facilities-based local exchange and interexchange telecommunications services throughout the State of New Jersey. Petitioner has submitted its financial information under seal along with a sworn affidavit with substantiation for confidential treatment in accordance with the Board's rules for determining confidentiality, N.J.A.C. 14:1-12 et seq. and in compliance with the Open Public Records Act, N.J.S.A. 47:1A-1 et seq.

ECN is a privately held corporation organized under the laws of the State of Delaware. ECN is a wholly owned subsidiary of Pacific Telecom, Inc. Petitioner's principal offices are located at 1031 S. Glendora Avenue, West Covina, California 91790.

Petitioner has submitted copies of its Certificate of Incorporation from the State of Delaware and its New Jersey Certificate of Good Standing. According to the Petition, ECN was formed to provide all forms of facilities-based local exchange and interexchange telecommunications services within the State of New Jersey. Petitioner further states that at this time it does not seek authority to provide local exchange telecommunications services in the service areas of small or rural local exchange carriers in New Jersey that qualify for rural exemption outlined in Section 251(f)(1) of the Federal Act Petitioner states that it has filed a Resale Carrier Letter of Acknowledgement with Verizon-New Jersey, Inc. Petitioner is currently authorized to provide resold interexchange services in Alabama, Arizona, Arkansas, California, Colorado, Connecticut, District of Columbia, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma,

Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Washington, West Virginia, Wisconsin and Wyoming and it is also authorized to provide local exchange services in the State of California, Florida and New York. Petitioner further states that it has not been denied authority to provide telecommunications services, it has not been the subject of any civil or criminal proceedings and its authority has not been revoked in any jurisdiction. Petitioner states that it has entered into an interconnection agreement – Wholesale Advantage Plan - with Verizon-New Jersey, Inc.

Petitioner seeks authority to provide all forms of facilities-based local exchange and interexchange telecommunications services to both residential and business customers in the State of New Jersey. Petitioner states that it intends to offer these services using a combination of its own facilities by purchasing unbundled network elements platform from other facilities-based carriers and through the resale of incumbent local exchange carriers' services. Petitioner will co-locate its state of the art telecommunications equipment within the existing facilities of other carriers, central offices of local exchange carriers, or other structures and will use existing conduits, ducts, rights-of-way and facilities of other telecommunications carriers and utilities. Petitioner states that its services include, but are not limited to, local exchange (call origination and termination), switched local exchange services such as local flat and measured rate, vertical, direct inward and outward dialed trunks, carrier access, public and semi-public coin telephones and non-switched local services like private lines. Petitioner states that in the initial year, it will focus on contacting and offering local service bundled with long distance access to existing long distance customers who reside in the state. After the existing customer base sales initiative is complete, it will focus on obtaining new one to two line residential/commercial customers by targeting the Asian community via in-language telemarketing. According to the Petition. neither petitioner nor any of its affiliates owns or controls any telephone network facilities in New Jersey and it will not construct any new or extend the existing outside plant. Petitioner states that it maintains a toll-free number for customer service inquiries and it will file a proposed tariff with the Board.

Petitioner requests a waiver of N.J.S.A. 48:3-7.8 and N.J.A.C. 14:1-4.3, which requires that books and records be kept within the State of New Jersey and be maintained in accordance with the Uniform System of Accounts ("USOA"), respectively. In the interest of efficiency and to prevent undue burden, Petitioner requests permission to maintain its books and records in accordance with Generally Accepted Accounting Principles and to keep all books, records, documents and other writings incident to the conduct of Petitioner's business in the State of New Jersey at Petitioner's corporate office in West Covina, California. Petitioner also states, upon written notice from the Board and/or Board Staff, it will provide its books and records at such time and place within New Jersey as the Board may designate and will pay any reasonable expenses for examination of the records.

Petitioner asserts that approval of its Petition will further the public interest by expanding the availability of competitive telecommunications services in the State of New Jersey. Petitioner also asserts that approval of this Petition will provide New Jersey customers with access to new technologies and service choices and will permit customers to achieve increased efficiencies and cost savings.

With regard to its technical and managerial qualifications, ECN states that it possesses the technical capability and managerial qualifications to operate and manage its telecommunications operations in the State of New Jersey. Petitioner has submitted the professional biographies of its key personnel who, according to ECN, are well qualified to execute its business plans and have extensive managerial and technical experience in the telecommunications industry.

DISCUSSION

On February 8, 1996, the Federal Telecommunications Act of 1996, P.L. 104-104, 110 Stat. 56, codified in scattered sections of 47 <u>U.S.C.</u> §151 <u>et seq.</u>, was signed into law, removing barriers to competition by providing that:

[n]o State or local statute or regulation, or other State or local legal requirement, may prohibit or have the effect of prohibiting the ability of any entity to provide any interstate or intrastate telecommunications service.

[47 <u>U.S.C.</u> §253(a)].

Therefore, Board approval of Petitioner's entry into the telecommunications marketplace is required, assuming Petitioner is in compliance with the Board's filing requirements to provide telecommunications services in New Jersey.

In considering this Petition, the Board recognizes its obligation not to prohibit entry into intrastate telecommunications markets. 47 <u>U.S.C.</u> §253(a). The Board also considers the New Jersey State Legislature's declaration that it is the policy of the State to provide diversity in the supply of telecommunications services and the Legislature's findings that "competition will promote efficiency, reduce regulatory delay, and foster productivity and innovation" and "produce a wider selection of services at competitive market-based prices." <u>N.J.S.A.</u> 48:2-21.16(a)(4); <u>N.J.S.A.</u> 48:2-21.16(b)(1) and (3).

Therefore, having reviewed ECN's Petition and the information supplied in support thereof, the Board FINDS that the Petitioner is in compliance with the Board's filing requirements to provide telecommunications services in New Jersey. Accordingly, the Board HEREBY AUTHORIZES the Petitioner to provide local exchange and interexchange telecommunications services throughout New Jersey. The Board also FINDS that in accordance with N.J.S.A. 48:2-59 and 48:2-60 and N.J.S.A. 52:27E-61 and 52:27E-62, the Petitioner is subject to an annual assessment by both the Board and Division of Ratepayer Advocate, respectively. The Board notes that the Petitioner will not be permitted to provide telecommunications services until a tariff is filed with the Board.

The Board HEREBY ORDERS that:

- 1) Petitioner file its tariff with the Board
- 2) Pursuant to N.J.S.A. 48:2-16(2)(b) and N.J.A.C. 14:3-6.3, Petitioner shall file an annual report as of December 31 of each year, which is due on or before March 31 of the following year. Pursuant to N.J.S.A. 48:2-16.3, if Petitioner fails to file an annual report by the due date, Petitioner shall be subject to a penalty of \$5.00 for each day thereafter until such report is filed.
- 3) Pursuant to N.J.S.A. 48:2-62, Petitioner shall file a statement of gross intrastate revenues from operations form (AR3-1) as of December 31 of each year, which is due on or before June 1 of the following year.

On or before February 1st of each year, the Petitioner will receive from the Division of Audits an annual report package and a statement of gross intrastate revenues from operations form for the preceding calendar year. The purpose of these documents is to report the Petitioner's financial information and gross intrastate revenues from operations as of December 31 of each year. The

annual report and a statement of gross intrastate revenues from operations form are due on or before March 31 and June 1 of the following year, respectively. If Petitioner does not receive these documents, it is Petitioner's responsibility to obtain them from the Board. It is also the Petitioner's responsibility to ensure timely filing of these reports.

Regarding the Petitioner's request for waivers of the Board rules, the Board FINDS that the Petitioner has demonstrated good cause why the Board should grant relief from its requirements that the Petitioner maintains its books and records in accordance with USOA and within New Jersey. Therefore, subject to the Petitioner's continuing responsibility to provide the Board books and records upon 48 hours notice, and in the manner requested, and to pay to the Board any reasonable expenses or charges incurred by the Board for any investigation or examination of these books and records, the Board APPROVES the Petitioner's request for the exemptions from maintaining its books and records in accordance with USOA and in New Jersey.

DATED: 8/18/06

BOARD OF PUBLIC UTILITIES BY:

PRESIDENT

COMMISSIONER

CONNIE O. HUGHES COMMISSIONER

JOSEPH L. FIORDALISO

Mr.

COMMISSIONER

COMMISSIONER

ATTEST.

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public

Utilities

KRISTI IZZO **SECRETARY**

IN THE MATTER OF THE PETITION OF ENHANCED COMMUNICATIONS NETWORK, INC., D/B/A ASIAN AMERICAN ASSOCIATION, FOR APPROVAL TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES WITHIN THE STATE OF NEW JERSEY

DOCKET NO. TE05110953

SERVICE LIST

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